The Resolution was, by leave, withdrawn

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : I shall now put the motion moved by Shri M. Arunachalam to vote. The question is :

> "That the Bill to provide for and regulate the payment of interest on delayed payments to small scale and ancillary industrial undertakings and for matters connected therewith or incidental thereto, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : We shall now take up clause by-clause consideration of the Bill.

Clause 2 to 11 were added to the Bill
Clause 1, the Enacting Formula, and the Title were added to the Bill.

SHRI M. ARUNACHALAM : Sir, I beg to move :

That the Bill be passed.

The motion was adopted.

I. STATUTORY RESOLUTION REFERRING DISAPPROVAL AT THE GOLD BONDS (IMMUNITIES AND EXEMPTIONS) ORDINANCE, 1993

II. THE GOLD BONDS (IMMUNITIES AND EXEMPTIONS) BILL, 1993

SHRI H. HANUMANTHAPPA (Karnataka) : Why do you move the Resolution and finally withdraw it ? Instead, don't move it.

DR. JINENDRA KUMAR JAIN (Madhya Praesh) : If the ruling party Members are tired, you adjourn the House. But, if they sit here... *(Interruptions)*

SHRI H. HANUMANTHAPPA : We are not tired. We are prepared to sit and defeat your Resolution.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : They are prepared to sit. They are only worried about your loneliness.

SHRI H. HANUMANTHAPPA : We want to save the time of the House. If you are withdrawing it, then don't move it at all.

DR. JINENDRA KUMAR JAIN : It is a serious business and business is business.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Please let him speak.

DR. JINENDRA KUMAR JAIN : Sir, with your permission, I beg to move the following Resolution :—

> "That this House disapproves of the Gold Bonds (Immunities and Exemptions) Ordinance, 1993, (No. 22 of 1993) promulgated by the President on the 31st January, 1993."

Sir, I have several reasons for moving the motion of disapproval. The first and foremost is almost the repetitive reason as to why I had to move the ealier Resolution today. This is the one Resolution, this is the one Bill, which should have come to this House during the ordinary course of legislation.

In the Statement of Objects and Reasons, it is stated that in the Budget Speech for the year 1992-93, it was indicated that the Government would introduce a Gold Bond Scheme to mobilise the idle gold resources. One complete year has passed. Just before the end of the financial year, the Government came out with this sort of an Ordinance. I would like to remind you and the hon. Members of this House... *(Interruptions)*...

DR. YELAMANCHILI SIVAJI (Andhra Pradesh) : In the 1992-93 Budget, it was not mentioned. It was not mentioned in the 1992-93 Budget Speech.

DR. JINENDRA KUMAR JAIN : Sir, Dr. Sivaji has a different viewpoint. I most humbly say that what I am stating is a fact which is given in the Statement of Objects and Reasons. I would like to know from the Minister as to what he was doing for a whole year. Suddenly, he woke up and came to this House with this Bill. This is one of the reasons why I thought I should oppose this. There are more reasons. The whole purpose of this Scheme is to mobilise the idle gold resources and to bring them into the national economy. You know that gold is held by different

types of people. Even poor people want to have some gold. Every housewife has a *mangalsutra* and likes to have some little gold. Even a poor man gives some gold to his daughter as dowry and gold has traditionally been held by poor people as security. These poor people are not a part of the national economy. Now you want to take their gold and give them a piece of paper. I am sorry for it. My fear is that they are not going to trust you. They are not going to have their gold kept with you... (*Interruptions*)...

SHRI JAGESH DESAI : Sir, this kind of remarks should not go on record. He says that it is a piece of paper. I think that will affect our credibility. I think this kind of remarks should not go on record.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : I will look into the record.

DR. JINENDRA KUMAR JAIN : As a colleague, he is entitled to his views.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : After my ruling, you do not need to repeat his argument. You please continue.

DR. JINENDRA KUMAR JIN : I do not disrespect their bond but please understand the psychology of the poor people, the illiterate citizens of this land. I am in agreement with them that they need to be convinced, they need to be educated, they need to be persuaded. But where is the educational drive ? What is the effort of the Government to educate them ? How are you going to use the mass media to educate our countrymen ? In the absence of any education, any worthwhile effort to persuade the citizens of this country to part with their gold, it will be an exercise in futility. Where does the gold come from ? Where does the gold come from in exchange for the bonds that you are issuing ? It will come only from the large holders of gold. In a way, I am afraid, you are legalising corruption.

Look at the large-scale benefits you have given. Section 4 of the Bill deals with it. You have given exemption to the subscribers of this Scheme from the Wealth Tax Act, the Gift Tax Act, the Income Tax Act, the Customs Act, the Foreign Exchange Regulation Act and the Foreign Contribution (Regulation) Act.

Under all these Acts, almost under every Act, you are giving exemption to the people who will say, "This is the gold. Take it." You are not willing to ask them about the source. Somebody might have committed a dacoity and once he brings that gold and gives it at your counter and takes a Gold Bond, the law of the country that you are going to enact now says that no investigation will be carried out He has all the immunities. Dacoits are given immunities and the people who have amassed wealth illegally, people who have taken bribes and those who have plundered the people and who have plundered the nation's economy are given immunities and all the illegalities that they have committed you are going to legalise with one stroke of pen, with this piece of legislation. I say this because people have money and they buy gold and the moment they bring it to your counter, you make them very very special citizens. No questions are asked and no investigation is carried out.

Sir, with the spirit of the Bill I am in agreement. The Government must teach the citizens that this yellow metal is not as precious and with the availability of this yellow metal in our national reserves, we can accelerate the process of our economic development. So, I support the spirit. In fact, our party was the first party to have made this suggestion. In fact, the leader of our party, Shri Atal Bihari Vajpayee had come out with this scheme and had requested the Government to do this. But a very good idea is being implemented in a very very bad manner. This is my problem, and that is the reason why I am constrained to move my Resolution disapproving of it.

Sir, I see the impatience of some of my colleagues which I very much respect and very much honour. So, keeping that in view, I am not making a long speech. I have given the reasons for my disapproval and I hope that the Government will give due consideration and due thought to what I have said. Thank you, Sir.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : Sir, I beg to move :

> "That the Bill to provide for certain immunities to the subscribers of the Gold Bonds and for certain exemptions

from direct taxes in relation to such Bonds and for matters connected therewith or incidental thereto, as passed by the Lok Sabha, be taken into consideration."

Sir, it may be recalled that the Finance Minister had, in his Budget Speech for the year 1992-93, stated that the Government would introduce a Gold Bonds Scheme to mobilise idle gold reserves to supplement official reserves. The President has issued an Ordinance on 31-1-93 providing for certain immunities and tax exemptions to the subscribers. The present Bill seeks to replace this Ordinance.

Sir, the Scheme has already been notified on 18-2-93. The subscriptions to the Bonds are already open from 15-3-93 and will close on 14-6-93. The Bond is open to subscription by a resident in India, a Hindu Undivided Family, trustees of a Trust, a firm or a company. The gold will be returned at the end of five years along with a lump sum interest of Rs. 40/- per gram. The minimum subscription is 500 gms. and there is no maximum limit. The initial subscriber to the Bonds will enjoy certain immunities under clause 4 of the Bill, i.e. under the Wealth-tax Act, Gift-tax Act, Income-tax Act, the Customs Act, the Foreign Exchange Regulation Act and the Foreign Contribution (Regulation) Act. By virtue of these immunities, the initial subscribers will not be required to disclose the nature and source of acquisition of the gold including the sources of money by which the gold was acquired. However, these immunities will not beavailable where the proceedings have already been initiated before the date of promulgamation of the Ordinance. Even the interest accruing to the initial subscriber will also be exempt from Income-tax. Any gift made by an individual subscriber to his spouse or child or parent will be exempt from Gift-tax, as per Clause 5 of the Bill. Hence, I commend this Bill for consideration and return by the House, Sir.

The questions were proposed.

DR. YELAMANCHILI SIVAJI : Sir, is the Minister arranging any food for the staff ?

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Smt. Sarala Maheshwari.

श्रीमती सरला महेश्वरी (पश्चिमी बंगाल) : माननीय उपाध्यक्ष महोदय, इससे पहले कि मैं इस स्वर्ण बाण्ड विधेयक पर कुछ बोलूं, मुझे बर्नार्ड शॉ की एक बात याद आती है। बर्नार्ड शाह ने कहा था : The golden rule is that there are no golden rules

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उपसभाध्यक्ष महोदय, जो स्वर्ण बाण्ड विधेयक यह लेकर आए हैं, जिस पर हम चर्चा करने जा रहे हैं, उस विधेयक पर कुछ भी बोलने से पहले मैं मंत्री महोदय से चंद सवाल करना चाहूंगी। उपसभाध्यक्ष महोदय, काले धन की काली दुनिया के बेताज बादशाहों को सोने का ताज पहनाने की जो अभिनव योजना हमारे मंत्री महोदय लेकर आए हैं, मैं उन मंत्री महोदय से यह जानना चाहती हूं कि क्या यह सच नहीं है कि हमारे देश के राजस्व संग्रह में हमारे यहां प्रत्यक्ष करों का योगदान विकसित देशों से तो बहुत कम है, विकासशील देशों से भी बहुत कम है। दुनियाँ में जहां कुल राजस्व में प्रत्यक्ष करों का हिस्सा 40 प्रतिशत से अधिक है, वही हमारे देश के कुल राजस्व में हमारे प्रत्यक्ष करों का हिस्सा 23 प्रतिशत से भी कम है। उपसभाध्यक्ष महोदय, इसका सीधा-सीधा अर्थ यह होता है कि हमारा देश कर-चोरों का स्वर्ग बना हुआ है। दुनियाँ के किसी भी देश से ज्यादा कर चोर हमारे देश में हैं। महोदय, क्या यह सच नहीं है कि यह जो स्वर्ण बाण्ड स्कीम हमारे मंत्री महोदय लेकर आए हैं क्या यह एक तरह की वालंटरी डिपाजिट स्कीम नहीं है ? आपकी यह स्कीम क्या है, मैं मंत्री महोदय से जानना चाहती हूं और यह स्कीम किन लोगों के लिए है ? मंत्री महोदय ने अपनी इस योजना का जो भी खाका रखा है उसके तहत उन्होंने यह बताया है कि इस योजना के तहत जो न्यूनतम बाण्ड

होगी वह 500 ग्राम की होगी। उप सभाध्यक्ष महोदय, इस 500 ग्राम का मूल्य कितना बैठता है, दो लाख रुपया। जाहिर है कि इन बाण्डों को खरीदने वाला या इन बाण्डों को खरीदने की हैसियत एक आम भारतवासी की नहीं है और न ही एक आम भारतवासी को ही यह संबोधित है। महोदय, यह योजना उन लोगों को संबोधित है जिन लोगों के लिए इससे पहले भी हमारे देश में कई वालंटरी डिपाजिट स्कीम्ज़ लाई जाती रहीं हैं। फर्क सिर्फ इतना है कि पहले नकद रुपये लिए जाते थे और अब सोना दिए जाने को कहा जा रहा है। महोदय, यह सोना किस रूप में दिया जाएगा, मंत्री महोदय ने यह कहा है कि यह सोना वह गहनों के रूप में नहीं लेंगे, यह सोना गहनों के रूप में नहीं लेकर गहना अगर कोई देना चाहते तो भी उन गहनों को गला कर उनकी शुद्धता की जांच करके फिर यह गहने लेंगे। जाहिर है कि यह सामर्थ्य हमारे देश के आम भारतीय की नहीं है। या तो उनके पास थोड़े गहने हैं, जो अपनी सुरक्षा के दृष्टिकोण से रखते हैं, तो जिन व्यक्तियों को यह संबोधित है, जिन लोगों की फिक्र हमारे मंत्री महोदय को है वह हमारे देश का आम आदमी नहीं है। वे लोग कौन हैं, जिनको यह योजना संबोधित करती है? ये वे लोग हैं उपाध्यक्ष महोदय जिन लोगों ने काले धन की कमाई से अनापशनाप सोना इकट्ठा करके रखा है। जिनके पास सोने के बिस्कुट जमा हैं और वे बिस्कुट जरूर सरकार के पास जा सकते हैं। तो जाहिर है कि इस सरकार की इस योजना से हमारे देश के आम आदमी का कुछ भी लेना-देना नहीं है और सरकार यह जो बताना चाहती है कि आम गृहस्थ के जीवन में जो निष्क्रिय सोना पड़ा हुआ है, उस निष्क्रिय सोने का इस्तेमाल हमारे देश की अर्थव्यवस्था में हो सकता है, यह कतई सत्य नहीं है।

उपसभाध्यक्ष, महोदय, इस गोल्ड बांड स्कीम के जरिए इस काले धन के लोगों को कहा जा रहा है कि आप काले धन से सोने का आयात करो। पहले ही हमारे मंत्री महोदय ने छूट दे दी है कि आप सोने का खुले रूप में आयात कर सकते हैं और अब उनको उस गोल्ड बांड स्कीम के जरिए इस बात के लिए प्रोत्साहित किया जा रहा है कि आप अपने काले धन से अधिक-से अधिक सोने का आयात करो। फिर उस सोने को सरकारी टकसाल में जमा कराओ और अपने काले धन को सफेद धन में बदल लो। इस तरह काले धन को सफेद धन में बदलने की यह अभिनव योजना हमारी सरकार लेकर आई है। उपसभाध्यक्ष महोदय, मैं मंत्री महोदय से जानना चाहती हूं कि क्या यह सच नहीं है कि इससे पहले भी कई वी० डी०एस० हमारे देश में लागू की गई हैं? क्या मंत्री महोदय ने हमारे देश की अर्थ-व्यवस्था को चंगा करने के लिए अब तक जो वालंटरी डिपाजिट स्कीम लायी जाती रही है, उन तमाम वालिंटरी डिपाजिट स्कीम का कोई मुआयना किया है और उन्होंने अपने अनुभवों से कोई नतीजा निकाला है कि उनके अनुभव क्या रहे? उपाध्यक्ष महोदय, 1951 में त्यागी डिस्कलोजर स्कीम के बाद 1965 और 1975 में दो वी० डी० एस० आईं। फिर 1981 में स्पेशल बियरर बांड स्कीम आई। 1985 से 87 तक लगातार दो वर्षों तक एक आम एमनेस्टी स्कीम चल रही थी। फिर 1991-92 में पिछले साल आपने नेशनल हाउसिंग बोर्ड स्कीम तैयार की। इन सब स्कीमों का उदेश्य एक ही था कि काले धन वालों से ससम्मान धन लेने की कोशिश करना। उपसभाध्यक्ष महोदय, मैं यह जानना चाहती हूं कि इन तमाम स्कीमों से आखिर हासिल क्या हुआ है? जो 40-50 हजार करोड़ रुपये के काले धन की समानांतर अर्थ-व्यवस्था हमारे देश में चल रही है, क्या उस काले धन की

समानांतर अर्थ-व्यवस्था पर कोई अंकुश लगाया जा सका है ? उपाध्यक्ष महोदय, बियरर बांड का क्या हुआ ? बियरर बांड का हमारा अनुभव क्या बताता है ? बियरर बांड के जरिए हम सिर्फ 964.24 करोड़ रुपया इकट्ठा कर पाए। एन० एच० बी० की हमारी स्कीम का क्या हुआ ? एन० एच० बी० यानी नेशनल हाउसिंग बोर्ड के जरिए हमारे देश की जनता को यह सब्जबाग दिखाया गया था कि आपके आवास की समस्या को दूर कर दिया जाएगा। आपको रहने के लिए अच्छा घर मिलेगा उस एन० एच० बी० का क्या हुआ ? उस एन० एच० बी० को मृत-प्राय: करके उसके रुपयों को शेयर बाजार में डाल दिया गया। शेयर बाजार के दलालों को दिया गया ताकि शेयर बाजार के दलाल उस धन का उपयोग करके अपने काले धन को और ज्यादा जनरेट कर सकें। उपसभाध्यक्ष महोदय, इन तमाम वालिंटरी स्कीम्स ने हमारी अर्थ-व्यवस्था को चंगा तो कतई नहीं किया बल्कि काले धन के मालिकों को, तस्करों को और माफिया लोगों को यह संकेत दिया कि सरकार हर कुछ समय के अंतराल के बाद इस तरह की स्कीम लाएगी और उन्हें सम्मानित करेगी, पुरस्कृत करेगी। इसलिए आपको डरने की कोई जरूरत नहीं है और चिन्ता करने की कोई जरूरत नहीं है। उपसभाध्यक्ष महोदय, करों के सुधार के संबंध में प्रोफेसर चलैया कमेटी बनी थी जिस चलैया जी के बारे में हमारे वित्त मंत्री प्रशंसा करते अघाते नहीं हैं, उन्हीं प्रोफेसर चलैया ने 1985 में एक कमेटी तैयार की थी। उस कमेटी ने इन वालिंटरी स्कीम्स के बारे में आंकलन करते हुए; अध्ययन करते हुए जो निष्कर्ष निकाला, उस निष्कर्ष के बारे में मैं सदन को अवगत कराना चाहूंगी। उस रिपोर्ट में यह कहा गया कि इन बी० डी० एस० स्कीम्स की हालत यह है कि मैं उद्धृत करना चाहूंगी, बी० डी० एस० ने काले धन की पैदाइश पर किसी प्रकार की रोक नहीं लगायी उल्टे कानून में काले धन पर पेनाल्टी तथा सजा आदि के जो प्रावधान हैं, उन से लोगों के मन में जो थोड़ा-बहुत डर था इस प्रकार के स्कीम्स से, वह डर भी समाप्त हो जाता है।

उपसभाध्यक्ष महोदय, एक जनतांत्रिक देश के लिए जहां हम कानून के शासन की बात करते हैं वहीं अगर हम इस तरह की योजनाएं लेकर जाते हैं, काले धन वालों को, तस्करों को, माफिया गिरोहों को अगर इस तरह की स्कीम के जरिए हम छूट देते हैं तो उनको क्या समझ कर देते हैं ? इससे एक आम करदाता को क्या संकेत मिलता है कि एक आम करदाता, जो ईमानदारी से अपना कर चुकाता है वह गलत कर रहा है और वह चोर, काले बाजारिए, जमाखोर, तस्कर सरकार के नियमों का उल्लंघन करके सरकार की आंखों में धूल झोंक कर काले धन की कमाई करते रहते हैं, उनको सरकार यह संदेश देती है कि आपको डरने की कोई जरूरत नहीं है, आपको चिन्ता करने की कोई जरूरत नहीं है, हमारी सरकार तुम्हें दंडित तो करेगी नहीं उल्टे इस तरह की स्कीम लाकर पुरस्कृत करेगी। यही संदेश इस स्वर्ण-बांड स्कीम के जरिए दिया जा रहा ।

उपसभाध्यक्ष महोदय, इसी तरह वांचू कमेटी ने बीयरर बांड के बारे में अपने निष्कर्ष दिए थे और उन्होंने इस तरह की तमाम स्कीम की आलोचना की थी। तमाम एक्सपर्ट कमेटियों ने इस तरह की वालेंटरी डिपाजिट स्कीम की आलोचना की और यह स्पष्ट आंकलन किया कि इस तरह की स्कीम से हमारे देश की अर्थनीति को कतई चंगा नहीं किया जा सकता, उल्टे काले धन की अर्थ-व्यवस्था ही फलती-फूलती है। इसलिए सरकार जो यह तर्क दे रही है कि इससे हमारा काला धन बाहर निकल आएगा और शायद अपने अर्थ भंडार ठीक कर लेंगे ··· (समय की घंटी) ···

दो मिनट और लूंगी, उपसभाध्यक्ष महोदय, मैं यह कहना चाहूंगी कि सरकार जो अर्थ-नीति लेकर आ रही है, जो खुलेपन की नई नीति लेकर आ रही है, आई० एम० एफ० और वर्ल्ड बैंक के जरिए कर्ज लेकर बहुराष्ट्रीय कंपनियों के लिए जिस तरह दरवाजा खोला जा रहा है, यहां आप कहने को न्यूनतम ब्याज देंगे, वहां आप क्या यह समझते हैं कि आपकी न्यूनतम सुविधाओं के लिए देश के काले बजारिए, स्मगलर तस्कर, आपको अपना काला धन निकाल कर दे देंगे। मैं सोचती हूं कि ऐसा सोचना मूर्खों के स्वर्ग में ही बात करना है। मैं मंत्री महोदय से यह जानना चाहती हूं कि काले धन पर रोक लगाने के बजाए काले धन को प्रोत्साहित करने की यह अर्थनीति की शिक्षा आपने कौन से विश्वविद्यालय से ली है? शायद हमारे देश में ऐसा कोई विश्वविद्यालय नहीं होगा, कांग्रेस दल का अगर कोई विश्वविद्यालय है तो मुझे मालूम नहीं।

उपसभाध्यक्ष महोदय, इसी संदर्भ में मैं एक बात कहना चाहूंगी कि हमारे मंत्री महोदय और हमारी सरकार जिस स्वर्ण-बांड योजना के बारे में बात करते हुए थकते नहीं, वही अपने बजट-भाषण में हमारे वित्त मंत्री महोदय ने यह कहा है कि देशभक्तों का अगर हमारी अर्थ-नीति की समस्या से निपटने के लिए, उनका अंशदान हमें मिलता है तो हमें इससे कतई इंकार नहीं करना चाहिए। यह देश भक्त कौन हैं? कौन हैं यह देश भक्त, जिनको हमारे वित्त मंत्री महोदय, संबोधित कर रहे हैं? यह देशभक्त हैं तस्कर, चोर, माफिया गिरोह और इन्हें देशभक्तों के नाम से संबोधित किया जा रहा है। हमारे देश के वे लोग, हमारे देश के वे ईमानदार करदाता, जो दिन-रात अपने खून और पसीने की कमाई करते हैं और अपना पेट काटकर कर देते हैं उनके प्रति सरकार का यह रवैया है और दूसरी तरफ चोर, तस्कर, माफिया गिरोह के लोगों को सरकार का सम्मानित करने का रवैया है। यह रवैया निश्चित रूप से सरकार की उसी अर्थ नीति का अनिवार्य नतीजा है, जो अर्थनीति बड़े लोगों, चंद मुट्ठी भर लोगों को खुलकर खेलने की अनुमति देती है और छोटी आय के जो लोग हैं, मध्यम वर्गीय लोग हैं, उनकी रोटी रोजी छीनने की कोशिश करती है। इसलिए, उपाध्यक्ष महोदय, यह जो स्वर्ण-बांड योजना है, जो तस्करों को सम्मानित करती है, उसको पुरस्कृत करती है, इसका मैं विरोध करती हूं और मंत्री महोदय जिनको देशभक्त कह रहे हैं, वह देशभक्ति का अर्थ कैसे बदल जाता है, इसके लिए मैं हिन्दी के प्रसिद्ध कवि मुक्ति बोध के इन शब्दों के साथ अपने भाषण को समाप्त करना चाहूंगी--

अनर्थ जब शोषण की दुनियां का नियम,
और जनता का नियम जबकि संघर्ष,
दिग्विजय,
तो शब्दों का अर्थ ही अलग-अलग होता है।
मांओं के, बहनों के आंसुओं से
की हुई गेहूं की फसलों पर,
फैले धूप आतप का स्वर्ण अलग-अलग होता है।

उपसभाध्यक्ष महोदय, जिस स्वर्ण-बांड योजना की चर्चा हमारे मंत्री महोदय कर रहे हैं, इस स्वर्ण का रंग जरूर काला है, पीला नहीं है, चमकदार नहीं है। यह हमारे देश की गरीब जनता के सामने, हमारे देश के उन मेहनतकश लोगों को यह बता रहा है कि इस देश की अर्थ-व्यवस्था उनकी कोई सुरक्षा नहीं कर सकती। इस सरकार की अर्थनीति में चोर, स्मगलर्स, माफिया गिरोह, तस्कर, जमाखोर यही आराम से फल-फूल सकते हैं।

इन्हीं शब्दों के साथ उपसभाध्यक्ष महोदय, मैं इस स्वर्ण-बांड विधेयक का विरोध करती हूं।

SHRI VISHVJIT P. SINGH (Maharashtra) : Mr. Vice-Chairman, Sir, I am grateful to you for giving me this opportunity even at this late hour. I welcome this Gold Bonds (Immunities and Exemptions) Bill, 1993 and I would like to congratulate the Minister and the Government for bringing forward this Bill. I have a very specific reason for doing so. I would like to enumerate why I am saying this. The fact is, as we are all aware, the higher the level of taxation, the lower the level of collection in different parts of the world. Of course, there is a golden mean; about 23 to 25 per cent has been calculated. There seems to be a psychological barrier towards payment of taxes by people. Even the most honest person, if he has to pay a high percentage of tax on his earnings, resorts to some kind of dishonesty. Mr. Vice-Chairman, we have had high taxation in our country for a long period of time. We realised our mistakes. We have started changing. Right from 1980 we have started bringing down the rate and trying to rationalise the tax structure in some way or the other. Now, of course, we have come down to a reasonable limit. We are even coming further down. But over the years, because of the past tax structure, there has been generation of a large amount of black money. There is evasion of excise duty, there is evasion of sales-tax, evasion of capital gains tax and all sorts of things. And all that results in accumulation of black money. What is this black money used for? This black money, Mr. Vice-Chairman, is used for conspicuous consumption. It is used for nefarious activities. It is used for show at massive weddings. It is used for giving huge dowries and this black money leads to all kinds of ills in the society. We are all against black money, but let us not forget that our estimates of black money are going up every year Every year there are larger and larger amounts of black money which are in circulation. It is the wealth of the nation, it is the legitimate wealth of the nation which has been stolen from the nation, and it is not used for any productive activity. There is no productive activity. On the other hand, what is the state of the nation? There are huge reserves of gold in the black market, there are huge reserves of gold in private hands. Those reserves are not with the Government so that they could be used for some productive purpose. The Government cannot use them as a part of its assets, cannot pledge them, cannot get money from them, cannot put them to any fruitful use. This Gold Bonds scheme deals with this problem. The gold will be returned as per the scheme after five year and a very nominal interest at the rate of Rs. 40 per gram will be paid at the end of those 5 years.

No other payment will be made. Gold will be returned. That is all. So, what is the profit to the person who has deposited the gold? It is only the increase in the value of gold over the time. That is all.

And, Mr. Vice-Chairman, Sir, he is exempted from all the provisions of the fiscal Acts—the Wealth Tax Act (27 of 1957), the Gift Tax Act (18 of 1958), the Income-tax Act (43 of 1961), the Customs Act (52 of 1962), the Foreign Exchange (Regulation) Act (46 of 1973) and the Foreign Contribution (Regulation) Act (49 of 1976). He is exempted from the provisions of all these Acts. Therefore, nothing can be asked of him by the Income Tax Department—and that's all. There is no other saving clause in this. In fact, there is even a proviso that if the gold which is pledged is already a part of an ongoing investigation into the assets of an individual or firm or what have you —that individual or legal entity—then that gold will not have immunity under these clauses of clause 4.

The best part of this Bill is sub-clause (2) of clause 4, which is really very, very good because all the apprehensions of the Opposition are dealt with in this clause as this deals with prosecutions that "Nothing contained in sub-clause (1)...." In other words, all these immunities which have been provided are not available. They are not available—for whom? They are not available for those persons who have

committed offences punishable under Chapter IX or Chapter XVII of the IPC (45 of 1860), the Narcotic Drugs and Psychotropic Substances Act (61 of 1985), the Terrorist and Disruptive Activities (Prevention) Act (28 of 1987) and the Prevention of Corruption Act (49 of 1988) or for purposes of enforcement of any civil liability. In other words, neither can a smuggler, nor can a drug dealer, nor can an extortionist, nor can a kidnapper—anybody who belongs to the underworld, anybody who belongs to the nether world, none of those people who are engaged in those activities which are subversive, which are disruptive, which destroy our social fabric, none of those individuals—have protection under this Act, If they deposit any gold, that gold is liable to seizure; they cannot claim any exemption.

The only exemptions which are allowed under this Act are the exemptions which are provided for the purposes of the Gift Tax Act, the Wealth Tax Act, the Income-tax Act and FERA—that's all. There is no other exemption available. All the other acts which are enumerated here, which are against the nation, to them each one of those will apply and this Gold Bonds Immunity Scheme will not be available to those individuals. In other words, if there is drug money, it cannot go into the Gold Bonds because it is in danger. If there is smuggling money, it cannot go in. If there is terrorist money, it cannot go in. ....*(Interruptions)*.... Are you impatient, Madam ? Have I said something which has offended you ?

SHRIMATI SARALA MAHESHWARI : No, no.

SHRI VISHVJIT P. SINGH : May I countinue ?

SHRIMATI SARALA MAHESHWARI : Yes, yes.

SHRI VISHVJIT P. SINGH : Thank you.

I am merely seeking a clarification.

SHRI JAGESH DESAI : It is his interpretation of the law.

SHRI VISHVJIT P. SINGH : It is not my interpretation of the law. I do not have an interpretation of the law. A long time back, many years ago, I had filed my first case. I am a litigant, unfortunately : I am not a lawyer. Years ago, when I had filed my first case which I had to do for some reason, my uncle who was a lawyer told me, "You have enough common sense. Just take the bare Act and read it. After reading the bare Act, go to a lawyer. If the lawyer tells you that it is a good case or a bad case, you know after reading the bare Act by your judgement and understanding whether you have rights in that or not." So, I go by common sense : I do not go by any interpretation, as you call it. As far as I am concerned, the Act is here. I am reading from the Act, and if you like, I can read out the provisions. It reads :

> "Nothing contained in section (1) shall apply in relation to prosecution for any offence punishable under Chapter 9 or Chaper 17 of the Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, the Terrorist and Disruptive Activities Prevention Act, the Prevention of Corruption Act or for the purpose of involvement of any civil liability."

Kindly read this section. Therefore, I am quite right in what I am saying. ..... *(Interruptions)*.

I am about to finish, Mr. Minister, if you will just allow me.

This gold which is in the hands of private citizens, which is in the hands of those people who are not a part of the underworld, who are normal individuals, who have got black money, is going to be put into this. It will be put to a productive use. It can be used by the Government. It can be used by the nation .. *(Interruptions)*.

Did you hear something ?.... *(Interruptions)*.

Occasionally I hear something. ..... *(Interruptions)*.

I can understand the anxiety of the House, Mr. Vice-Chairman. Therefore, as far as I am concerned, I wholeheartedly support this Bill.

I once again congratulate the Minister. With this, I conclude, Mr. Vice-Chairman.

DR. YELAMANCHILI SIVAJI : Sir, while supporting the Bill, I would like to add that it has not been properly thought out and it has not been properly drafted. . . (*Interruptions*) Alvaji. . . . (*Interruptions*)

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Yes, please. You speak.

DR. YELAMANCHILI SIVAJI : Sir, first of all, the minimum is 500 gms. The second aspect is, whatever jewellery or ornaments are available, are going to be melted, and that is going to be returned in the form of gold, gold slab or coin or whatever it is.

The second aspect I would like to add is this. Mr. Ahmed. . . . (*Interruptions*).

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Please listen to this.

DR. YELAMANCHILI SIVAJI : The third aspect is that the rate of interest is too low. Therefore, what I mean to say is that it is not attractive. I am very much afraid that in spite of the desired results and cherished goals of the Bill and the Government, it may face the same waterloo that the earlier Bills faced like presumptive tax. Dr. Manmohan Singh, during his last Budget speech, came out with a novel proposal of presumptive tax. Whosoever has a turn-over of less than Rs. 5 lakhs, is supposed to pay Rs. 1,400 per annum. There will be no interrogation and no investigation. It is almost a once-for-all settlement. But, do you know, Sir, that it has been reported in a section of the press that the total collection of the presumptive tax is as low as Rs. 28,000 ?

SHRI JAGESH DESAI : Rs. 1.67 crores.

DR. YELAMANCHILI SIVAJI : Whatever it is. Even Rs. 1.67 crores is not a big deal for the Government. Mr Palkhiwala mentioned that it was Rs. 28,000. In one of the answers during the last week it has been mentioned by the Government that it was Rs. 1.67 crores.

What I feel is that even Rs. 1.67 crores is very low. I am afraid that the CBDT and the Income-tax Department are not on the same wavelength of thinking as that of the Finance Minister. There is lack of coordination between the two. The bureaucracy is also not cooperating with the Government. That is my worry. Had the department been a little more vigilant, much more tax collection would have been made in the form of presumptive tax. If the Income-tax Department was serious, the presumptive tax collection would have been much more. The difficulty is that Dr. Manmohan Singh and the income-tax department under him are moving in different directions. Both are helping tax-evasion. These are the hard realities.

About the Gold Bond scheme, umpteen number of times it was mentioned by the Government, inside the House as well outside, that complete immunity will be provided. Our friend, Mr. Vishvjit P. Singh was mentioning that the income earned out of narcotics, or out of corrupt means or even the disproportionate income will not go to the right channels, but would find their way into the wrong channels. Suppose a corrupt officer belonging to a revenue department or a land department or a tax department collects a huge amount running into a few lakhs of rupees over some months, if he converts the same into gold deposits, ornaments or jewellery, he would be immune from any investigation. Jolly well he can deposit this in a bank and receive a loan on that.

SHRI H. HANUMANTHAPPA : Such purchases can be investigated.

DR. YELAMANCHILI SIVAJI : Not at all. No further investigation will be required.

SHRI H. HANUMANTHAPPA : But, if is out of disproportionate income ?

SHRI YELAMANCHILI SIVAJI : No, it is not there in the Bill. Had it been there, it would not have solved the purpose of the scheme. So, there is a contradiction between the two. It is one channel of bringing in black money and turning it into white. We suggested umpteen number of times that resorting to voluntary disclosures or pesumptive tax or gold bonds is not going to solve the problem. Earlier also when Mr. Morarji Desai was Minister for Finance, he also came out with a proposal during the Chinese aggression. He invited the

housewives to deposit their ornaments and jewellery so that the Government could get much more liquidity in the international market, with the IMF or the World Bank. And by that Gold Control Order the poor goldsmiths were harassed in each and every village. Mr. Jagesh Desai and myself have suggested several times that instead of these things the Government should be wise enough. It should have gone in for housing instead. If any poor person or anyone belonging to the middle-income group goes in for construction of a house with less than one thousand square feet, let him not be asked several question about his source of income etc. You know housing is one of the few areas, where much more employment can be generated in the unorganised sector like in brick-making or stone-crushing or masonary. (Interruptions) Why are you so impatient ? I cannot understand that.

THE VICE-CHAIRMAN (SYED SIBETY RAZI) : If you address me, I will conduct the House. But if you are not addressing the Chair, it will be very difficult.

DR. YELAMANCHILI SIVAJI : This shows how callous the Government is.

THE VICE-CHAIRMAN (SYED SIBETY RAZI) : Dr. Sivaji, if you have any complaint, you address the Chiar. I will intervene and set the things right. If you address the Members directly, then it will be between you and the Members.

DR. YELAMANCHILI SIVAJI : I am addressing the Chair. The Government is callous in bringing this Bill at this odd time. The Government is so callous that does not plan about food for the Members and the staff. The want to bulldoze all the Bills. At the same time, the Ministers are so impatient in listening to the Members. If this attitude is demonstrated by the Ministers...

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENARY AFFAIRS (SHRIMATI MARGARET ALVA) : Why are you shouting at the Ministers ? None of us have objected.

SHRI S. S. AHLUWALIA (Bihar) : You are talking about which Minister ? The Minister concerned is very much listening to you.

DR. YELAMANCHILI SIVAJI : The Government should show a little bit of seriousness while formulating these Bills, while passing these Bills and while seeking the cooperation from the Members.

SHRI JAGESH DESAI (Maharashtra) : Mr. Vice-Chairman, Sir, to my mind, the objective of the Gold Bonds (Immunities and Exemptions) Bill, 1993 is very laudable. There is no doubt about it. The Government will get gold reserves for a period of five years without paying any interest. With that gold reserve they can get finances in the form of foreign exchange from foreign countries. It appears to me that a five-year immunity has been given to the subscribers of Gold Bonds because the Government feels that after five years the balance of payments problems will not be there at all. They also want to achieve 20 per cent export growth rate; and up to five years they will not have any problem. That is why this Gold Bond Scheme has been projected. That is my view.

But I am constrained to say that wherever such schemes have been announced by the Government, whether it was the Voluntary Disclosure Scheme or the Immunity Scheme, they were all failures. I opposed the Voluntary Disclosure Scheme in this House because I felt that, that was a premium on dishonesty. One scheme after another they are bringing here. The Gold Bond Scheme does not carry 2 per cent rate of interest but it is much more than that. What have you done to the investors ? Those who invest in Gold Bonds, after investing if they gift the bonds to someone, then, there is no gift tax on that. Then what will happen ? If I have hoarded gold which is from black money, I will invest it in Gold Bonds and I will give those Gold Bonds as a gift to my wife, to my children and to my parents without paying any gift tax. The present rate of gift-tax is 20 per cent.

Secondly, wealth tax was payable on gold ornaments because it was an un productive asset. Now through this Bill you have made it productive. Though it has

not been mentioned in the Statement of Objects and Reasons, it will also be exempt from the wealth tax. You can imagine how much money you are losing on account of wealth tax and gift-tax. The interest payable on Gold Bonds is also tax-free. I feel that through this Scheme you are encouraging those persons who have got black money to convert it into Gold Bonds, transfer these Gold Bonds as gifts and to divide their assets. You are losing your income also.

I do not know what will happen after five years. At the end of five years, you will be giving them back their gold. At that time, will you ask them a question : Where have you bought this gold from ? I want an answer to this question from the Government. After five years if you are going to ask them this question, then, I can understand that your intentions are honest. But if you are not going to ask them that question, that means that you will allow black money to be converted into Gold Bonds. In that way, you will allow them to escape from the income tax, wealth tax and all other taxes.

The second point I would like to make is about the capital gains. You want to exempt these bonds from Capital Gains Tax too. Suppose gold was purchased in the year 1980. You take into account today's price and add the inflation rate also. Now, if it is sold for a higher amount, it is liable for Capital Gains Tax. But now you are exempting this from that tax. And, the interest rate is two per cent. We have to work out these. In the earlier disclosure schemes, tax was collected at the rate of 40 per cent of 20 per cent. But, here, I think you are giving more exemption than you would give to the ordinary, regular, tax-payer. The Government should look into this. The thrust of the Bill, to my mind, is, you want the assets to be divided among the children and wife of a person so that at a later stage, the gold bond can be converted into gold and sold by the person to whom it is given. Otherwise, if you get cash, you will get 'income' and will be taxed at the rate of 40 per cent. By this scheme, again, the tax will be very low. I would like the Government to consider this also.

Now are we going to have this scheme forever ? Will you promise us that after six months, the date will not be extended ? For all such schemes in the past, the time was extended. Therefore, I want an assurance from the Government that after six months this scheme will not be continued. I do feel that this kind of schemes should not be brought. But, at the same time, by this scheme, without investing anything, they are going to get gold. Of course, I cannot say to what extent you will be successful. You had the scheme of hotel tax. I think in the Bombay Division itself, not even 100 people took advantage of it. And, throughout the country, you could collect only Rs. 1.67 crores. You have again extended it to the one-third wallahs. After the experiment failed, why did you again bring it in the Budget ? So, please take care of it and see that this kind of schemes putting a premium on dishonesty are not brought again by the Government. This should be the last occasion when you bring such a scheme. In future, such schemes should not be brought.

Because the Government has brought this scheme only to tide over the present balance of payments position, it is laudable at the moment. However, the other factors mentioned by me should also be taken into consideration. With these words, I support the Bill.

SHRI VITHALBHAI M. PATEL (Gujarat) : Mr. Vice-Chairman, Sir, I think the Bill is a good piece of legislation. But, yet, there are some defects.

The first point is, the limit has been kept at 500 grams. And because of this limit, if a middle-class housewife wants to have some gold, she will not be able to. The limit should have been kept at 100 grams so that it covers middle-class people also.

Another point is, the interest of two per cent is too low. Two per cent is nothing. Today, it is believed that in this country 1500 tonnes of gold is in the private sector. If you want to have some genuine gold, then housewives will come to you if you return the same ornaments to them after five years, not melted gold. Increase the interest rate also. Two per cent is nothing. I have no objection if smugglers give you gold. If you want to take black gold, I have no objection.

SHRI S. S. AHLUWALIA : Do not say 'black gold'. It is 'yellow gold'. 'Black gold' is steel.

SHRI VITHALBHAI M. PATEL : It is unproductive gold. If it comes to Government coffers, it is better. But I am afraid the expectation of the Finance Minister is not likely to be fulfilled because it is not a very attractive scheme where an ordinary man would like to invest in it.

Another thing is, the NRIs have got enough gold and if you give them an opportunity to invest in gold they would do so and if they want to buy a piece of land, if they want to buy a flat or a bungalow or something else, they should be given this type of relief. Then they will come forward to invest in gold and happily they will come to you. So include the NRIs also, have something special for them so that they can also invest in gold. And those NRIs who are returning, should also be given some concessions if they bring gold. Only then you will be able to succeed.

Another thing is, unfortunately, the Central Government has the monopoly to issue the bonds—either financial bonds or gold bonds. In this respect, the Central Government has the monopoly. They do not allow the States to raise the bonds, to raise the resources. But Mr. Minister, the scenario has changed and this type of dictatorial attitude of the Central Government will not be tolerated by the States in the coming days. Our State Government wanted to raise Rs. 1,000 crores from the NRIs for the Narmada project but you are refusing. Then pay Rs. 1,000 crores. The NRIs will not give you money. They will give for the Narmada project. But since the last so many years, the request is pending with the Central Government. The Central Government says that it is the monopoly of the Reserve Bank of India. What type of monopoly is this ? Do you want to continue with this monopoly even today ? You see the dictatorial rule has gone now. It has collapsed everywhere and in this country also, the bureaucratic control will never continue and if you try to continue with it, there will be a revolt from the States. So think about it and if you can relax it for others relax it for the States also. The States should be given some power to raise funds if they so desire.

Lastly, Dr. Jain said that the poor have no gold. What to speak of gold, they don't have food to eat. I think, Dr. Jain has not gone through the Bill. Otherwise he would not have said that the smaller men will not come forward and invest in gold. They have no gold to invest. So don't worry about them. You are just shedding crocodile tears. It is no use. Smaller people will be benefited if this gold is utilised for productive purposes. In that event, something will come to the common man because of the increase in production. I support the Bill and I hope the Minister will consider to reduce it from 500 grams to 100 grams and he would also evolve some scheme for the NRIs.

DR. JINENDRA KUMAR JAIN : Sir, I am grateful to the Members who took part in the debate. Although when the debate started, some Members were in a great hurry to pass the Bill without discussion, the deliberations proved that this is a very important Bill that we are passing today...

THE VICE-CHAIRMAN (SYED SIBETY RAZI) : That is why we are sitting till 10 o'clock.

DR. JINENDRA KUMAR JAIN : All the hon. Members, who participated in the debate, have made a good contribution to the Bill. I would like to make one reference to what my hon. friend, Shri Vishvjit P. Singh, said. He did not find any fault at all. I would just like to remind him that the title of the Bill is not The Gold Bonds Bill. The title of the Bill is : The Gold Bonds (Immunities and Exemptions) Bill, 1993 and it only gives immunities and exemptions. And I would like to put it on record so that no countryman can be misled by the debate that took place here. I am reading out a few lines from the Statement of Objects :

> "By virtue of the said immunities, no subscriber will be required to disclose, for any purpose whatsoever, the nature and source of acquisition of the gold subscribed for the Gold Bonds, including the source with which the gold was acquired. Further, no inquiry or investigation will be commenced against any subscriber under any of the said Acts on the ground that such subscriber

owns the Gold Bonds and the fact of ownership of the Gold Bonds....."

Sir, it is because of such patent statements in the ordinance and in the Bill that Member after Member and people like Saralaji and Dr. Sivaji opposed it. Mr. Jagesh Desai requires a very special mention. I have a special regard for him. Some of his colleagues may not have respect but I know not only his...

SHRI V. NARAYANASAMY (Pondicherry) : How can you say we don't have respect for him ?

DR. JINENDRA KUMAR JAIN : I said 'some of the Members' because... (*Interruptions*)...

SHRIMATI MARGARET ALVA : All of us have respect for him.

DR. JINENDRA KUMAR JAIN : O.K. I am very happy. I am also one of those who have high regard for his knowledge and integrity and even though he belongs to the ruling party, he has supported what I said. One great leader here, a very senior Member, said that the poor man has no gold. I wish to remind you, Sir, and that hon. Member, please make no mistakes. Whenever there has been a cause of national importance, the poor people have contributed whatever they can. I would like to remind you that during the Chinese War of 1962 when there was an aggression on this country, in the cause of national security very poor people had given whatever gold they had.

SHRI VITHALBHAI M. PATEL : That I know but it has nothing to do with these bonds. ...(*Interruption*)...

DR. JINENDRA KUMAR JAIN : I have already said that it was a good concept implemented in a bad manner. The way it is being implemented will only help the corrupt ones and lead to legalised corrupt practices giving advantage to those who should be penalised and punished for of lack of education. If I were to implement this—and I would like to make this humble suggestion for the consideration of the hon. Minister—this scheme will be very successful if we try to rouse the conscience of the citizens that they should love the yellow metal less than the national interest and undertake educational drive. The communication gap between the Government and the citizens has to be bridged. You cannot run this Government by making such laws which will not help the citizens by and large and which will only help the corrupt collaborators of the ruling party. Sir, it was for those reasons that I had moved the motion of disapproval and I don't want to obstruct the process of reforms especially when I am duty-bound to support this idea, but I am constrained that every good idea becomes a bad proposal... (*Interruption*)...

SHRI VITHALBHAI M. PATEL : Even you want to support those collaborators... (*Interruptions*) ...

DR. JINENDRA KUMAR JAIN : Sir, I don't know why my senior colleague is so much agitated. He is such learned man. He should allow youngesters like me to speak.

SHRI V. NARAYANASAMY : Dr. Jain, you are going against your party-politics because all these collaborators are in your party only.

THE VICE-CHAIRMAN (SYED SIBETY RAZI) : Mr. Jain, you keep on speaking.

DR. JINENDRA KUMAR JAIN : This kind of irresponsible remarks.....

THE VICE-CHAIRMAN (SYED SIBETY RAZI) : You don't respond to those remarks. You go on speaking.

DR. JINENDRA KUMAR JAIN : Sir, I am not responding, but I am duty-bound to express my views and remove the ignorance of some of the people who think that they are very knowledgeable.

I am not objecting to the jewellers. This Government has encouraged export of jewellery from this country. If the jewellers are getting supported I am all for this Government because it is the support to the jewellers to export jewellery which will turn the tide. I am opposed to it because you are helping the smugglers. I am opposed to it because through this provision you are helping those who seed to be punished. It is their that this good scheme proposed by my party has been converted into an instrument of corruption by the manipulation and ingeniousness of the ruling party. Anyway, I once again make a request to the hon. Miniter that while implementing the scheme, he can as a goodwill gesture, give weightage to the suggestions that were given by the Members here so that the benefits would go to the deserving ones and corruption wouldn't get legalised in this country. With these few words, keeping in view the spirit of the Bill, I withdraw my Statutory Resolution and request the Minister to kindly keep in mind the valuable suggestions that have been given by the hon. Members of this House.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : Mr. Vice-Chairman, Sir, I am thankful to the hon. Members who have participated in this discussion, particularly to Dr. Jain, the mover of the Statutory Resolution, for withdrawing his Resolution. Dr. Jain has pointed out the delay in the Introduction of this scheme and the need for this Ordinance. During his last Budget speech the Finance Minister had indicated that the Government would introduce a gold bond scheme. Subsequently certain alternative proposals for mobilising gold were under the consideration of the RBI. But it was finally decided to issue the gold bonds as Government bonds and for that purpose an enabling legislation was necessary before the scheme could be announced. By the time the draft legislation and the proposed scheme should be finalised, the winter session of Parliament was over. Hence this Ordinance has been promulgated and we have come to replace this Ordinance with this Bill.

Sir, the House is aware that the Government had earlier floated several gold bonds. In the year 1962 we floated a gold bond scheme with an interest rate of 6½% and it was for 15 years. Subsequently, in the year 1965 we floated another gold bond scheme with an interest rate of 7% and the maturity period was 15 years. In both these gold bond schemes the Government repaid in cash and not in gold. As pointed out by the hon. Members, it was not that attractive and it did not work well as the Government had expected. The third, National Defence Gold Bond, was floated in 1980 and the period was for 15 years and the interest rate was 2% per 10 grams and it was repaid in gold. Many of the Members who have participated in this debate pointed out that the proposed scheme is to encourage black money and black-marketeers. This is not the intention of this Bill and this is not the objective of this Bill. It is there in the Statement of Objects and Resources that it is to mobilise the idle gold resources to supplement the official reserves so that we can use it for productive purposes and developmental activities in the entire country. This is the main object of this Bill. The main intention of this Bill is to provide the idle gold resources to use for productive purposes.

Sir, we should accept the realities. The major generation of black marketing is from two sources, one is from smmuggling and the second is from tax evasion. As the Government is very sincere in tackling both these issues, we have taken several economic measures as well as developmental measures in tackling gold smuggling and tax evasion.

Sir, now I want to give figures of the quantity of gold seized during the past three years. It was 5.8 tonnes in 1990-91, 4.6 tonnes in 1991-92 and it is 1.8 tonnes in the year 1992-93, up to January 1993. So, smuggling is reduced by 50%. In addition to this, the domestic price of gold has also gone down. For example, 10 grams of gold was costing Rs. 4,900. Now it is reduced to about Rs. 3,900. So, 20% of the price is cut down. The intention of the Government is to fight against smuggling and to check and prevent

smuggling and make smuggling most unremunerative This is the main intention of the Government. Sir, till the 21st March, nearly 130 tonnes of gold was legally imported with a duty collection of Rs. 288 crores in foreign exchange. This is not a small amount within a small time. The House would appreciate this. In respect of silver also we have taken many measures. So far, the legal import of silver is nearly 502 tonnes. We have earned a duty collection of Rs. 24.17 crores Many hon. Members have suggested that the minimum quantity should be reduced from 500 gram to 100 grams. Sir, this is very impracticable. Sir, this limit of 500 grams was fixed by the Reserve Bank of India by taking into consideration the facilities available in the Government for assaying to find out the purity of gold. If the minimum limit was fixed at 100 grams, the Reserve Bank estimated that there would be 75000 tenderers and assaying process would take more than 3 years. So, this is most impracticable. That is why they are not prepared to accept this suggestion. Some hon. Members have suggested that it should be accepted in jewellery also. Sir, this was a deliberate decision to avoid dispute between the investors and the Reserve Bank of India about the genuineness and purity of the gold and other ornaments. That is why we have avoided this and jewellery is not accepted. The hon. Members, Shri Jaiswal asked about the capital gains tax. Sir, at present the subscriber will not have any immunity from capital gains tax. You can rest assured. Somebody said that it should not get extended beyond six months. At present there is no proposal to extend this scheme. Let us watch the performance. If the scheme works out then we will come before the House again. Whatever suggestions are made by the hon. Members, those will be incorporated in the interest and development of the country. With this I appeal to this House... (*interruptions*)...

SHRI JAGESH DESAI : As regards capital gains tax, I think it will be exempted. You may look at it. It is said "Without prejudice to the generality of the provisions of section 4—(a) the provision of the Income-tax Act, 1961 shall not apply to—(i) any interest accruing to the subscriber from the Gold Bonds; (ii) any long-term capital gains arising to the subscriber."

SHRI M. V. CHANDRASHEKHAR MURTHY : About Income-tax on interest accruing to the subscriber, it is exempted for a period of 5 years and not beyond that. It is very clear in the Bill.... (*interruptions*)...

SHRI JAGESH DESAI : Capital gains is also exempted ...(*interruptions*)...

SHRI VISHVJIT P. SINGH : It is said in the Bill that capital gains is also exempted... (*interruptions*)...

SHRI JAGESH DESAI : It is said, "Long-term capital gains arising to the subscriber." ...(*interruptions*) ...

DR. YELAMANCHILI SIVAJI : Whatever the Minister says is final... (*interruptions*)...

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : The Minister is on his legs. Don't interrupt him... (*interruptions*)... I think you can clear it later on.

SHRI M. V. CHANDRASHEKHAR MURTHY : It is very clear—the long term capital gains arising to the subscriber. As I said, for five years this does not attract tax. But after five years even the interest accrued to the subscriber and the capital gains will be taken care of according to the existing law ...(*interruptions*)...

SHRI VISHVJIT P. SINGH : How is it? You see, if somebody buys gold and invests it in Gold Bonds and after 5 years that gold is worth 10 times what he invested, he gets the gold back. He has got a capital gain and you have given him an exemption. You said the provision of income-tax shall not apply to any long-term capital gains arising to the subscriber.

SHRI M. V. CHANDRASHEKHAR MURTHY : Sir, the immediate purchaser or the immediate transferor does not get this immunity... (*interruptions*)...

SHRI VISHVJIT P. SINGH : Who gets it ? Somebody gets the benefit... (*interruptions*)...

SHRI M. V. CHANDRASHEKHAR MURTHY : Immediately after five years, the purchaser gets it. The subsequent transferor does not get this benefit.

SHRI VISHVJIT P. SINGH : We are not talking about subsequent transfers. We are talking about the purchasers.

SHRI M. V. CHANDRASHEKHAR MURTHY : Because the bonds are transferable and pledgeable, Mr. Singh... (*Interruptions*).

SHRI VISHVJIT P. SINGH : No, that is a different thing. I am talking about...

SHRI M. V. CHANDRASHEKHAR MURTHY : About immunity. The first purchaser will get this immunity... (*Interruptions*).

SHRI VISHVJIT P. SINGH : There is no provision for transfer here. The entire bill will talks about only legal heirs or where partition has taken place...

SHRI M. V CHANDRASHEKHER MURTHY : Gold bond is transferable and pledgeable also as a security.

DR. JINENDRA KUMAR JAIN : Mr. Minister, will you please yield for a minute ? Sir, if there is no clarity in this legislation at the time we are passing it, what will happen to this law when it is challenged in a court of law ?

SHRI V. NARAYANASAMY : We will take care of the Bill when it is challenged.

SHRI M. V. CHANDRASHEKHAR MURTHY : Sir, I appeal to all the sections of the House to unanimously pass this Bill.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : Since Dr. Jain has said he is withdrawing the statement the leave of the House to withdraw it ?

The Resolution was, by leave, withdrawn.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : I shall now put the motion moved by Shri M. V Chandrashekhar Murthy to vote. The question is :

> "That the Bill to provide for certain immunities to the subscribers of the Gold Bonds and for certain exemptions from direct taxes in relation to such Bonds and for matters connected therewith or incidental thereto as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 6 were added to the Bill.
Clause 1, the Enacting Formula, the Preamble and the Title were added to the Bill.

SHRI M. V. CHANDRASHEKHAR MURTHY : Sir, I beg to move :

"That the Bill be passed."

The question was put and the motion was adopted.

THE VICE-CHAIRMAN (SYED SIBTEY RAZI) : The House stands adjourned till 11.00 a.m. tomorrow.

The House then adjourned at fourteen minutes past ten of the clock till eleven of the clock on Wednesday, the 24th March, 1993.

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